



**Director of
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NICARAGUA: Sandinista Gestures

Managua is acting to ease internal and external pressures and to indicate its willingness to negotiate with the US. [redacted]

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Sandinista officials have told the press that 1,200 Cuban teachers and technicians recently left Nicaragua and that 1,000 military advisers would leave this week to remove a pretext for a US invasion.

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[redacted]
A Cuban agricultural adviser says that some civilian technicians are leaving but that military personnel will remain. [redacted]

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Meanwhile, Sandinista leaders have relaxed censorship of the only opposition newspaper, invited opposition parties to talks, and suggested they would be willing to issue guarantees against expropriation if landowners would support the regime. They also have offered to allow insurgent defectors to participate in the agrarian reform program. [redacted]

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Nevertheless, some independent union leaders say they may go into exile because of increasing harassment. Earlier this month the regime temporarily closed one of the few remaining independent radio stations and confiscated three of its transmitters. The government also announced it is drafting a law that would prohibit criticism of the regime by Nicaraguans traveling abroad. [redacted]

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Comment: The gestures toward the opposition are part of the broader effort to portray a willingness to take concrete steps to allay US concerns. The Sandinistas also are showing some flexibility at regional peace talks and are ostensibly putting distance between themselves and the Salvadoran insurgents. Although they probably are unwilling to make substantive unilateral concessions, they evidently expect a response from the US. [redacted]

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The Sandinistas probably have sent home some Cuban civilian advisers, but they apparently are taking advantage of the annual rotation of teachers to suggest a much larger reduction in the Cuban presence. They are unlikely to remove any of the estimated 1,500 to 2,000 military advisers, of whom the Sandinistas and President Castro have acknowledged only 200. [redacted]

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USSR: Timing of Supreme Soviet Session

Recent comments of Soviet officials suggest that the Supreme Soviet session to approve the economic plan and budget for 1984 may be held in mid-December without the normal advance notification. []

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Regulations published in 1979 state that an announcement of an impending Supreme Soviet session is to be published "as a rule" not later than 30 days beforehand. An official of the Central Committee said two weeks ago that a Supreme Soviet session and plenum were in preparation for mid-December. []

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Last week an economist suggested that the end-of-the-year session would begin on 19 or 20 December following a plenum of the Central Committee. Two days later, Foreign Minister Gromyko told a special envoy from Ottawa that Moscow would be able to respond after 20 December to a request from Prime Minister Trudeau to meet with General Secretary Andropov in Moscow. []

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Comment: These comments suggest that the leadership—uncertain about Andropov's health—is using the loophole in the regulations to waive the usual advance notification. While it still is possible that the normal notification could be given in the next day or so, it is increasingly unlikely, because such scheduling would conflict with the New Year's holiday. []

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Failure to hold a session before the end of this year would violate the formal requirement that the legislative body meet twice yearly and would tend to confirm to the Soviet public that Andropov is seriously ill. Party rules also require a second Central Committee plenum this year, and the leadership will want to avoid postponing these meetings until 1984. []

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DENMARK: Debate on INF

The minority center-right government of Prime Minister Schlueter tomorrow faces another leftist-sponsored resolution opposing INF.

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Observers believe the resolution will call on the government to disavow responsibility for INF deployments. The debate is the third on INF since last spring. It is expected to be the most difficult for the staunchly pro-NATO government because the opposition Social Democrats intend to take a tougher position against INF than in May or earlier this month.

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Comment: In the vote tomorrow, Schlueter probably will seek a compromise that allows the government to stay in power while reaffirming its commitment to NATO and the dual-track decision. Schlueter has vowed to resign rather than abandon the dual-track decision.

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The resolution is likely to be vague enough to allow the coalition to preserve its position. If it calls for no INF deployments, however, Schlueter presumably will stand firm against the majority. This would precipitate an election that could return the Social Democrats to power.

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Neither the government parties nor the Social Democrats want an election at this point. An election probably would return an anti-INF parliamentary majority and result in a new government opposed to the dual-track decision. The effect of this break in Alliance unanimity could undercut Western security cooperation and efforts to move the USSR toward genuine arms reductions.

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PHILIPPINES: Opposition Activities

The opposition probably is heartened by large turnouts at rallies around the country last week, despite the failure of a general strike to materialize on Monday. Demonstrations are mainly calling for President Marcos to resign, but anti-US themes also are evident. Small-scale student demonstrations took place at the US Embassy in Manila and the US Consulate in Cebu yesterday. Tomorrow is a local holiday, and opposition groups plan more protests, but they are expected to focus on human rights and the economy. 

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Comment: The opposition, as a result of its success over the last week, may harden its positions on Marcos's resignation and on participation in elections. The largest demonstrations in Manila were organized by groups that reportedly are heavily penetrated by the Communist Party of the Philippines, which accounts for the increasing anti-US tone of recent protests. Radical groups probably will continue to displace the moderates because of the moderates' inability to agree on a program to capitalize on widespread dissatisfaction with the government. 

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USSR-JAPAN-US: Soviets To Transfer Airliner Debris

The Soviet Embassy in Tokyo has offered to transfer additional, unidentified debris recovered from the South Korean airliner to US and Japanese representatives. Arrangements are being worked out between the Japanese and the Soviets, and the transfer may take place on 12 December. In late September US and Japanese officials traveled in a commercial ship to Sakhalin Island to pick up five crates of such material recovered earlier by the Soviets. [REDACTED]

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Comment: With the onset of winter weather, the Soviets almost certainly are closing down their search efforts for the wreckage of the airliner and its flight recorders. The US effort ended early this month, and, as of mid-November, the Soviets' search activity had been reduced considerably. No major Soviet warships remain in the area of the search, [REDACTED]

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JAMAICA: Government Election Victory Assured

Prime Minister Seaga's Jamaica Labor Party was in effect returned to office yesterday when 46 of its candidates in the general election planned for 15 December were nominated unopposed and thus elected to the 60-member parliament. Opposition candidates filed in five constituencies, while nine have not yet reported. Twelve former members of the parliament were dropped from the ruling party slate to make way for activists loyal to Seaga. [REDACTED]

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Comment: Seaga is likely to end up with at least as large a majority as the 51-to-9 margin he currently enjoys. He probably will have to contend with charges that he is turning Jamaica into a one-party state. Increasing tension between the moderate and leftwing factions of the People's National Party could cause it to break up into several small parties, with frustrated dissidents turning increasingly to violence. [REDACTED]

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INTERNATIONAL: Socialists' Disarmament Appeal

Socialist International leaders meeting in Brussels last week appealed for an early resumption of the INF arms control negotiations. They urged a merger or close coordination of the INF and START talks and called for other nuclear powers besides the US and USSR to participate in negotiations to eliminate nuclear arsenals. Willy Brandt, president of the International, emphasized the unanimous support at the meeting for this disarmament appeal. [REDACTED]

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Comment: Brandt probably was concealing his own disappointment. His West German Social Democrats, who had just gone on record in the Bundestag as opposing INF deployments, had hoped that the resolution would at least urge a delay in missile basing. Most of the other parties favored that idea, but the French and Italian Socialists maintained their longstanding opposition to it. The French are almost alone within the International in their opposition to other nuclear powers joining the Geneva negotiations, and they may interpret that point as having no immediate relevance. [REDACTED]

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INTERNATIONAL: Commonwealth Conference

The 48-nation Commonwealth conference in India closed yesterday with the UK dissociating itself from parts of the communique. Press reports say British officials disagreed with language calling the PLO the "sole and legitimate" Palestinian representative that should be involved on an "equal footing" in negotiations, refused to condemn the recent partial extension of the franchise in South Africa, and agreed only that a widely accepted convention on the Law of the Sea would improve prospects for peace. In addition, Prime Minister Thatcher's earlier objections scuttled Prime Minister Gandhi's plan to call an immediate international conference on the need for drastic reforms in world financial institutions. Thatcher's objections led to a compromise on a study group. []

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Comment: The Commonwealth is made up overwhelmingly of Third World nations, and Thatcher probably did not expect a communique she could accept totally. Nevertheless, the announcement of reservations was unusual. It probably reflects London's desire to emphasize that its longstanding policies on these issues had not changed. []

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Rafael Caldera

Age 67 . . . served as President from 1969-74 . . . founder and chief theoretician of the Social Christian Party . . . author of numerous works on social and labor law . . . President of the Inter-Parliamentary Union and leader in worldwide Christian Democratic movement.

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Jaime Lusinchi

Age 59 . . . longtime functionary and militant of the opposition Democratic Action Party . . . a consensus candidate . . . achieved current position primarily through amiability and neutrality . . . has weak grasp of economic and foreign policy issues . . . a pediatrician . . .

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Special Analysis

VENEZUELA: Presidential Election

Democratic Action candidate Jaime Lusinchi maintains a substantial lead in public opinion surveys over former President Rafael Caldera of the governing Social Christian Party and appears well on his way to winning the presidential election on Sunday. Economic problems have dominated the campaign and have severely hampered Caldera's candidacy. The left, which is represented by several faction-ridden parties, probably will win enough seats in the national legislature to keep Democratic Action from gaining an absolute majority. These gains, combined with the left-of-center foreign policy views of Lusinchi's party, will make for significantly less cooperative relationships with the US on regional issues.

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The most recent polls show that approximately 15 percentage points separate the two leading contenders, a margin that has varied little over the past year. Caldera's vigorous campaigning, however, should narrow the difference somewhat by election day. Social Christian Party officials believe Caldera's only hope is to win over most of the 24 percent of the voters who are still undecided.

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The US Embassy reports that the bitterness between the two camps and the failure of either Lusinchi or Caldera to propose specific solutions to the economic problems have turned many voters against the two centrist parties. The main beneficiary will be the leftist Movement Toward Socialism and its presidential candidate, Teodoro Petkoff, a former guerrilla leader. The Embassy projects that Petkoff could win as much as 10 percent of the popular vote and that his party could control up to 12 percent of the seats in Congress.

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Campaign Strategies

As front-runner, Lusinchi owes his position primarily to the current government's economic failures. He has been claiming that already high unemployment and inflation will increase under a second consecutive Social Christian government. In addition, Lusinchi has benefited from the strong support of labor and farmer organizations dominated by Democratic Action.

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Lusinchi's chief vulnerability is reflected in charges that he will be unable to deal with the complexities of government because he has never held public office and is inexperienced in economic issues. Moreover, his announced preference for a consensus style of government appears ill suited to the strong leadership that the country needs.

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Caldera has tried to counter Lusinchi's attacks and the negative public image of the Social Christian Party by exploiting his great personal appeal, intellect, and wide experience as a former president and international statesman. He recognizes that his only hope is to turn the election into a referendum on the leadership question. []

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Political Prospects

With Lusinchi the likely winner, the principal remaining question will be the margin of his victory and its effects on the country's political life. If the Social Christians are soundly defeated in the presidential vote and in the congressional contests, a protracted struggle for control of the party is likely. []

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A crushing defeat of the Social Christians and major leftist gains also would place unprecedented strain on the traditional system of two-party consensus politics. As a result, Lusinchi might be willing to make some temporary working alliances with Petkoff and others to gain broad congressional backing early in his administration for unpopular economic adjustment measures. []

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Economic and Foreign Policies

The refinancing of Venezuela's foreign debt is one of the most crucial issues facing the incoming administration. Following the devaluation of last February and the imposition of a multitiered exchange rate, President Herrera's administration succeeded in obtaining three moratoriums on the repayment of principal. []

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The last of the moratoriums will expire only a few days before the new government takes office on 2 February. Lusinchi plans to impose limited austerity measures to gain support from international lenders, [] Foreign bankers are likely to lift their earlier requirement that Caracas accept an IMF program before \$18.4 billion in foreign debt can be rescheduled. []

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The new government's preoccupation with economic matters will limit the attention it can devote to foreign policy. Lusinchi's pronouncements on foreign affairs have been general, noncontroversial, and similar to the nationalist, consensus policies of previous administrations. []

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Lusinchi's relative silence on Central American issues—except when addressing US audiences—reflects his desire to be cautious on questions that are volatile at home. He rejects the concept of a special relationship with the US, and cooperation with Washington on Central American policy probably will decline. Former President Carlos Andres Perez, an aggressive critic of US policy in the region, could play a dominant role in shaping the party's stance on hemispheric issues. []

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